Adopted

Rejected

## **COMMITTEE REPORT**

YES: 9 NO: 1

## MR. SPEAKER:

16

Your Committee on Public Policy, to which was referred Senate Bill 339, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

1	Delete the technical correction adopted under Senate Rule 33(c) on
2	February 27, 2007.
3	Page 1, delete lines 1 through 17, begin a new paragraph and insert:
4	"SECTION 1. IC 7.1-1-3-18.5 IS ADDED TO THE INDIANA
5	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
6	[EFFECTIVE JULY 1, 2007]: Sec. 18.5. (a) "Grocery store" means
7	a store or part of a store that meets the following requirements:
8	(1) The establishment is known generally as:
9	(A) a supermarket, grocery store, or delicatessen, and is
10	primarily engaged in the retail sale of a general food line,
11	which may include:
12	(i) canned and frozen foods;
13	(ii) fresh fruits and vegetables; and
14	(iii) fresh and prepared meats, fish, and poultry;
15	(B) a convenience store or food mart (except as provided

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in subsection (b)) and is primarily engaged in:

1	(i) the retail sale of a line of goods that may include milk,
2	bread, soda, and snacks; or
3	(ii) the retail sale of automotive fuels and the retail sale
4	of a line of goods that may include milk, bread, soda, and
5	snacks;
6	(C) a warehouse club, superstore, supercenter, or general
7	merchandise store and is primarily engaged in the retail
8	sale of a general line of groceries or gourmet foods in
9	combination with general lines of new merchandise, which
0	may include apparel, furniture, and appliances;
1	(D) a specialty or gourmet food store primarily engaged in
2	the retail sale of miscellaneous specialty foods not for
3	immediate consumption and not made on the premises, not
4	including:
5	(i) meat, fish, and seafood;
6	(ii) fruits and vegetables;
7	(iii) confections, nuts, and popcorn; and
.8	(iv) baked goods.
9	(2) The establishment meets the minimum requirement under
20	IC 7.1-3-5-5' for annual gross sales of food for human
21	consumption that is exempt from the state gross retail tax.
22	(b) The term does not include an establishment known generally
23	as a gas station (except as provided in subsection (a)(1)(B)) that is
24	primarily engaged in:
25	(1) the retail sale of automotive fuels, which may include
26	diesel fuel, gasohol, or gasoline; or
27	(2) the retail sale of automotive fuels, which may include
28	diesel fuel, gasohol, or gasoline and activities that may include
29	providing repair service, selling automotive oils, replacement
0	parts, and accessories, or providing food services.".
1	Page 2, line 3, after "Sec. 4." insert "(a)".
32	Page 2, between lines 8 and 9, begin a new paragraph and insert:
3	"(b) The commission may transfer ownership of a beer dealer's
34	permit under this section only to an applicant who is the proprietor
35	of:
66	(1) a drug store;
37	(2) a grocery store (as defined by IC 7.1-1-3-18.5); or
8	(3) a package liquor store."

1	Page 2, delete lines 9 through 42, begin a new paragraph and insert:
2	"SECTION 3. IC 7.1-1-3-40.5 IS ADDED TO THE INDIANA
3	CODE AS A NEW SECTION TO READ AS FOLLOWS
4	[EFFECTIVE JULY 1, 2007]: Sec. 40.5. "Sales clerk" means a
5	person who:
6	(1) rings up; or
7	(2) otherwise records;
8	an alcoholic beverage sale in the course of the person's employment
9	in a dealer establishment.
10	SECTION 4. IC 7.1-2-4-13.5 IS ADDED TO THE INDIANA
11	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
12	[EFFECTIVE JULY 1, 2007]: Sec. 13.5. (a) This section does not
13	apply to a designated member of the local board who is an
14	employee or officer of the commission.
15	(b) A local board member shall complete a training program
16	conducted by the commission. A local board member may not be
17	required to take a test or examination or pay a fee in order to
18	complete the training program.
19	(c) The training program must include training on all of the
20	following subjects:
21	(1) An overview of Indiana alcoholic beverage law and
22	enforcement.
23	(2) Duties and responsibilities of the board concerning new
24	permit applications, permit transfers, and renewal of existing
25	permits.
26	(3) The open door law (IC 5-14-1.5) and the public records
27	law (IC 5-14-3).
28	(4) Notice and hearing requirements.
29	(5) The process for appeal of an adverse decision of the board.
30	(6) Any other subject determined by the commission.
31	(d) A local board member must complete the training program
32	not more than one hundred eighty (180) days after the member is
33	appointed to the board. A local board member who does not
34	complete the training program within the time allowed by this
35	subsection shall be removed from the board under section 21 of
36	this chapter.
37	SECTION 5. IC 7.1-2-4-22 IS ADDED TO THE INDIANA CODE

AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

38

1, 2007]: Sec. 22. (a) A local board shall allow all individuals attending a public local board meeting or hearing to make oral comments at the meeting or hearing regarding the subject of the meeting or hearing. However, a local board may set a reasonable limit on the amount of time allowed to each individual to provide oral comment.

- (b) A local board may give greater weight to oral comments provided by a person who:
  - (1) owns or operates a business that is located; or
- 10 (2) owns real property or resides;

not more than one thousand (1,000) feet from the location for which a permit is requested.

SECTION 6. IC 7.1-2-4-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. The local board may appoint at least one (1) attorney to advise the local board and to assist the local board in fulfilling the local board's duties under this title.

SECTION 7. IC 7.1-2-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. Forfeiture to State. An officer who makes an arrest for a violation of the provisions of this title shall seize the evidence of the commission of that violation, including any vehicle, automobile, boat, air or water craft, or other conveyance in which alcohol, alcoholic beverages, or malt articles are kept, possessed, or transported contrary to law, or contrary to a rule or regulation of the commission. The articles and vehicles mentioned in this section and in IC 1971, 7.1-2-5-5 7.1-2-5-7, sections 5 through 7 of this chapter are hereby declared forfeited to the state and shall be seized.

SECTION 8. IC 7.1-3-1-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) This section applies only in a county having a consolidated city. As used in this section, "authority" refers to the following:

- (1) In a consolidated city, the department of metropolitan development.
- (2) In a municipality (as defined in IC 36-1-2-11) or a county not having a consolidated city, the plan commission that has jurisdiction in the municipality or county.
- 38 (3) In a municipality (as defined in IC 36-1-2-11) or county

1	that is not within the jurisdiction of a plan commission:
2	(A) the municipal department designated by the executive
3	of the municipality; or
4	(B) the county department designated by the executive of
5	the county.
6	(b) As used in this section, "contiguous property owner" refers to a
7	property owner who has real property that is geographically adjacent
8	to or in contact with any point on the border of the property of a person
9	who seeks a permit to sell alcoholic beverages for consumption on the
0	licensed premises.
1	(c) As used in this section, "neighboring property owner" means:
2	(1) a contiguous property owner; or
3	(2) a property owner who has real property that:
4	(A) is geographically adjacent to or in contact with any point
5	on the border of the property of a contiguous property owner;
6	and
7	(B) some portion of which is within five hundred (500) feet of
8	the property of a person who seeks a permit to sell alcoholic
9	beverages for consumption on the licensed premises.
20	(d) As used in this section, "principal owner" means any person or
21	entity holding at least a fifteen percent (15%) interest in the business
22	for which a permit is sought to sell alcoholic beverages.
23	(e) As used in this section, "property owner" means any person
24	whose name and address appears in the county assessor's real property
25	tax assessment records as a person responsible for the payment of
26	property taxes on a parcel of real property.
27	(f) Except as provided in section 28(d) of this chapter, subsection
28	(g) applies to a location in the consolidated city only if:
29	(1) the application is for a liquor dealer's permit for a location
0	within the boundaries of the special fire service district, as
31	determined in conformity with IC 7.1-3-22-8; or
32	(2) the local alcoholic beverage board requires the applicant to
3	comply with subsection (g).
4	(g) In addition to the notice required by section 5 of this chapter, the
35	applicant for a new permit, or a transfer of a permit to sell alcoholic
6	beverages of any type or at any location must, at least fifteen (15) days
37	before the date of the local alcoholic beverage board hearing, mail
8	notice of the hearing at the applicant's expense to the following:

1	(1) Each neighboring property owner.
2	(2) The department of metropolitan development of the
3	consolidated city; authority.
4	(3) The following entities that have registered with the
5	department of metropolitan development of the consolidated city
6	authority:
7	(A) The principal, headmaster, or other primary administrator
8	of each public, private, or parochial elementary or secondary
9	school located less than one thousand (1,000) feet from the
10	property line of the applicant's property.
11	(B) Each church that is located less than one thousand (1,000)
12	feet from the property line of the applicant's property.
13	(C) Each neighborhood association that represents the area in
14	which the applicant's property is located.
15	(h) The notice that the applicant mails must provide the following
16	information:
17	(1) The name and address of the applicant, or if the applicant is
18	a corporation, a club, an association, or an organization, the name
19	and address of the applicant's president, secretary, and principa
20	owners who will be responsible to the public for the sale of
21	alcoholic beverages.
22	(2) A statement that the applicant has filed an application with the
23	alcohol and tobacco commission for the sale of alcoholic
24	beverages.
25	(3) The specific address where alcoholic beverages are asked to
26	be sold.
27	(4) The type of alcoholic beverage permit applied for.
28	(5) The date, time, and location of the public hearing before the
29	local alcoholic beverage board regarding the application.
30	(6) That if there is a desire to remonstrate against the application
31	the recipient of the notice may attend this public hearing.
32	(i) The applicant shall furnish evidence of the applicant's
33	compliance with this section by filing an affidavit with the loca
34	alcoholic beverage board at the public hearing on the application. The
35	affidavit must list the names and addresses of the individuals or other
36	entities to which notice was mailed by the applicant.
37	(j) In addition to the information required by subsection (i), the

applicant shall file with the local alcoholic beverage board at the public

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1 hearing the following information: 2 (1) This subdivision applies only to an authority referred to in 3 subsection (a)(1) or (a)(2). Verification from the department of 4 metropolitan development of the consolidated city authority that 5 the applicant is in compliance with zoning requirements for the 6 premises to be licensed. 7 (2) Verification from the department of state revenue that the 8 applicant does not have any outstanding income tax, excise tax, or sales tax liabilities. 9 (3) Verification from the county treasurer that the applicant does 10 not have any outstanding property tax liability. 11 12 (k) Subsection (j)(1) does not apply to a permit holder that received 13 and held a permit before September 1, 1987. 14 (1) Notwithstanding subsection (f)(1), an applicant seeking a transfer 15 of a permit from a permit holder to a new permit holder when the new permit holder does not intend to change the nature of the business 16 operated under the permit may apply to the local board for a waiver of 17 18 the notice requirement in subsection (g). The local board may consider 19 any information the local board considers relevant in making a 2.0 determination to approve or deny the waiver request. The local board 21 must approve or deny a waiver request at the first regularly scheduled 22 meeting that occurs at least fifteen (15) days after the local board 23 receives the waiver request from the applicant. SECTION 9. IC 7.1-3-1-5.6 IS AMENDED TO READ AS 24 25 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.6. (a) This section 26 applies only in a county having a consolidated city. 27 (b) (a) This section applies only to an application for the renewal of 28 a permit to sell alcoholic beverages. 29 (c) (b) The definitions set forth in section 5.5 of this chapter apply 30 to this section. 31 (d) (c) The renewal of a permit is subject to IC 7.1-3-19-9.5. 32 (e) (d) Except as provided in section 28(d) of this chapter, 33 subsections (f) (e) and (g) (f) apply to a location in the consolidated 34 city only if the application is for a liquor dealer's permit. 35 (f) (e) Notwithstanding subsection (d), (c), if: 36 (1) an applicant has been cited for a violation of law or a rule of 37 the commission; or (2) the local alcoholic beverage board has received at least five 38

1	(5) written complaints against the applicant alleging a violation
2	of law or a rule of the commission;
3	then upon direction of the local board, the applicant shall, at least
4	fifteen (15) days before the date of the local alcoholic beverage board
5	hearing, mail notice of the hearing at the applicant's expense as
6	provided in subsection (g). (f).
7	(g) (f) The applicant shall mail the notice required under subsection
8	(f) (e) to the following:
9	(1) Each neighboring property owner.
10	(2) The department of metropolitan development of the
11	consolidated city. authority (as defined in section 5.5 of this
12	chapter).
13	(3) The following entities that have registered with the
14	department of metropolitan development of the consolidated city:
15	authority (as defined in section 5.5 of this chapter):
16	(A) The principal, headmaster, or other primary administrator
17	of each public, private, or parochial elementary or secondary
18	school located less than one thousand (1,000) feet from the
19	property line of the applicant's property.
20	(B) Each church that is located less than one thousand (1,000)
21	feet from the property line of the applicant's property.
22	(C) Each neighborhood association that represents the area in
23	which the applicant's property is located.
24	(h) (g) The notice that the applicant mails must provide the
25	following information:
26	(1) The name and address of the applicant, or if the applicant is
27	a corporation, a club, an association, or an organization, the name
28	and address of the applicant's president, secretary, and principal
29	owners who will be responsible to the public for the sale of
30	alcoholic beverages.
31	(2) A statement that the applicant has filed an application with the
32	alcohol and tobacco commission for the sale of alcoholic
33	beverages.
34	(3) The specific address where alcoholic beverages are asked to
35	be sold.
36	(4) The type of alcoholic beverage permit applied for.
37	(5) The date, time, and location of the public hearing before the
38	local alcoholic beverage board regarding the application.

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- (6) That if there is a desire to remonstrate against the application, the recipient of the notice may attend this public hearing.
- (i) (h) The applicant shall furnish evidence of the applicant's compliance with this section by filing an affidavit with the local alcoholic beverage board at the public hearing on the application. The affidavit must list the names and addresses of the persons to whom notice was mailed by the applicant.
- (j) (i) In addition to the information required by subsection (i), (h), the applicant shall file with the local alcoholic beverage board at the public hearing the following information:
  - (1) This subdivision applies only to an authority referred to in section 5.5(a)(1) or 5.5(a)(2) of this chapter. Verification from the department of metropolitan development of the consolidated eity authority that the applicant is in compliance with zoning requirements for the premises to be licensed.
  - (2) Verification from the department of state revenue that the applicant does not have any outstanding income tax, excise tax, or sales tax liabilities.
  - (3) Verification from the county treasurer that the applicant does not have any outstanding property tax liability.
- (k) (j) Subsection (j)(1) (i)(1) does not apply to a permit holder that received and held a permit before September 1, 1987.

SECTION 10. IC 7.1-3-1-14, AS AMENDED BY P.L.165-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) It is lawful for an appropriate permittee, unless otherwise specifically provided in this title, to sell alcoholic beverages each day Monday through Saturday from 7 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day. Sales shall cease wholly on Sunday at 3 a.m., prevailing local time, and not be resumed until the following Monday at 7 a.m., prevailing local time.

- (b) Except as provided in subsection (f), it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages for consumption on the licensed premises only on Sunday from 10 a.m., prevailing local time, until 12:30 a.m., prevailing local time, the following day.
- (c) It is lawful for the holder of a permit under this article to sell alcoholic beverages at athletic or sports events held on Sunday upon premises that:

(1) are described in section 25(a) of this chapter;

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2	(2) are a facility used in connection with the operation of a paved
3	track more than two (2) miles in length that is used primarily in
4	the sport of auto racing; or
5	(3) are being used for a professional or an amateur tournament;
6	beginning one (1) hour before the scheduled starting time of the event
7	or, if the scheduled starting time of the event is 1 p.m. or later,
8	beginning at noon.
9	(d) It is lawful for the holder of a valid beer, wine, or liquor
10	wholesaler's permit to sell to the holder of a valid retailer's or dealer's
11	permit at any time.
12	(e) Notwithstanding subsection (b), if December 31 (New Year's
13	Eve) is on a Sunday, it is lawful for the holder of a retailer's permit to
14	sell the appropriate alcoholic beverages on Sunday, December 31, from
15	10 a.m., prevailing local time, until 3 a.m., prevailing local time, the
16	following day.
17	(f) The governor may, by issuing an executive order, waive the
18	hours of service restrictions under subsection (b) on a one (1) time
19	basis if the following criteria are satisfied:
20	(1) The state or a municipality, or both, are hosting a public
21	event that has the potential to benefit the state and local
22	economy and bring prestige to the state.
23	(2) The event would involve at least forty thousand (40,000)
24	people concentrated in one (1) area.
25	(3) If the hours of service restrictions under subsection (b)
26	were not waived, it would potentially present negative
27	economic consequences for retailers.
28	(4) The state or a municipality, or both, would potentially risk
29	losing the opportunity to host the event because of the hours
30	of service restriction under subsection (b).
31	This section shall be narrowly construed and applies only for the
32	period designated in the executive order.
33	SECTION 11. IC 7.1-3-1-28 IS AMENDED TO READ AS
34	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) This section
35	applies to the initial issuance, transfer of location, or transfer of
36	ownership of the following:
37	(1) Any form of retailer's permit issued under this title.

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(2) Any form of dealer's permit issued under this title.

1	(b) To qualify for approval of an application, an applicant must
2	show proof to the commission that the applicant has provided notice
3	concerning the application in conformity with this section.
4	(c) Except as provided in subsection (d), the applicant shall post a
5	sign for the period, in the location, and in the form specified in the
6	rules adopted by the commission to indicate to the public that the
7	applicant is seeking the issuance of a retailer's or dealer's permit. The
8	rules adopted by the commission must require that:
9	(1) the wording on the sign be in a sufficiently large type size; and
10	(2) the sign be posted in a sufficient manner in a window or
11	another area;
12	so that the sign is visible from the largest public thoroughfare or the
13	nearest public thoroughfare in the vicinity of the applicant's location.
14	The commission may require an applicant to use a sign prepared by the
15	commission. The commission may charge a fee for a sign prepared by
16	the commission that does not exceed the cost of the sign.
17	(d) This subsection applies to a county having a consolidated city.
18	If the application is for a permit other than a liquor dealer's permit, the
19	applicant may:
20	(1) post notice of the application as set forth in subsection (c); or
21	(2) mail notice in accordance with:
22	(A) section 5.5 of this chapter if the application is for a new
23	permit or transfer of a permit; or
24	(B) section 5.6 of this chapter if the application is for renewal
25	of a permit.
26	SECTION 12. IC 7.1-3-1.5-2, AS ADDED BY P.L.161-2005,
27	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28	JULY 1, 2007]: Sec. 2. As used in this chapter, "dealer permittee"
29	means a person who holds a <del>liquor</del> dealer permit. <del>under IC 7.1-3-10 for</del>
30	a package liquor store.".
31	SECTION 13. IC 7.1-3-2-7 IS AMENDED TO READ AS
32	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The holder of a
33	brewer's permit or an out-of-state brewer holding either a primary
34	source of supply permit or an out-of-state brewer's permit may do the
35	following:
36	(1) Manufacture beer.
37	(2) Place beer in containers or bottles.
38	(3) Transport beer.

1	(4) Sell and deliver beer to a person holding a beer wholesaler's
2	permit issued under IC 7.1-3-3.
3	(5) If the brewer's brewery manufactures not more than twenty
4	thousand (20,000) barrels of beer in a calendar year, do the
5	following:
6	(A) Sell and deliver beer to a person holding a retailer or a
7	dealer permit under this title.
8	(B) Be the proprietor of a restaurant.
9	(C) Hold a beer retailer's permit, a wine retailer's permit, or a
.0	liquor retailer's permit for a restaurant established under clause
1	(B).
2	(D) Transfer beer directly from the brewery to the restaurant
.3	by means of:
4	(i) bulk containers; or
.5	(ii) a continuous flow system.
.6	(E) Install a window between the brewery and an adjacent
.7	restaurant that allows the public and the permittee to view both
. 8	premises.
9	(F) Install a doorway or other opening between the brewery
20	and an adjacent restaurant that provides the public and the
21	permittee with access to both premises.
22	(G) Sell the brewery's beer by the glass for consumption on the
23	premises. Brewers permitted to sell beer by the glass under
24	this clause must furnish the minimum food requirements
2.5	prescribed by the commission.
26	(H) Sell and deliver beer to a consumer at the permit
27	premises of the brewer or at the residence of the consumer.
28	The delivery to a consumer may be made only in a quantity
29	at any one (1) time of not more than one-half $(1/2)$ barrel.
30	but the beer may be contained in bottles or other
31	permissible containers.
32	(6) If the brewer's brewery manufactures more than twenty
33	thousand (20,000) barrels of beer in a calendar year, own a
34	portion of the corporate stock of another brewery that:
55	(A) is located in the same county as the brewer's brewery;
66	(B) manufactures less than twenty thousand (20,000) barrels
37	of beer in a calendar year; and
8	(C) is the proprietor of a restaurant that operates under

1	subdivision (5).
2	(7) Sell and deliver beer to a consumer at the plant of the brewer
3	or at the residence of the consumer. The delivery to a consumer
4	shall be made only in a quantity at any one (1) time of not more
5	than one-half (1/2) barrel, but the beer may be contained in bottles
6	or other permissible containers.
7	(8) (7) Provide complimentary samples of beer that are:
8	(A) produced by the brewer; and
9	(B) offered to consumers for consumption on the brewer's
10	premises.
11	(9) (8) Own a portion of the corporate stock of a sports
12	corporation that:
13	(A) manages a minor league baseball stadium located in the
14	same county as the brewer's brewery; and
15	(B) holds a beer retailer's permit, a wine retailer's permit, or a
16	liquor retailer's permit for a restaurant located in that stadium.
17	(10) (9) For beer described in IC 7.1-1-2-3(a)(4):
18	(A) may allow transportation to and consumption of the beer
19	on the licensed premises; and
20	(B) may not sell, offer to sell, or allow sale of the beer on the
21	licensed premises.
22	SECTION 14. IC 7.1-3-3-4 IS AMENDED TO READ AS
23	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The premises to
24	be used as a warehouse by an applicant shall be described in the
25	application for the permit. The commission shall not issue a beer
26	wholesaler's permit to an applicant for any other warehouse or premises
27	than that described in the application. The commission shall issue only
28	one (1) beer wholesaler's permit to an applicant, but a permittee may
29	be permitted to transfer his the permittee's warehouse to another
30	location within the county that is not required to be within the
31	corporate limits of an incorporated city or town, upon application
32	to, and approval of, the commission.
33	(b) As used in this subsection, "immediate relative" means the
34	father, the mother, a brother, a sister, a son, or a daughter of a
35	wholesaler permittee. Notwithstanding subsection (a), the commission,
36	upon the death or legally adjudged mental incapacitation of a
37	wholesaler permittee, may allow the transfer of the wholesaler permit
38	only to an immediate relative of the wholesaler permittee who

1 concurrently holds a majority share in a valid wholesaler permit. 2 SECTION 15. IC 7.1-3-3-5, AS AMENDED BY P.L.224-2005, 3 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 4 JULY 1, 2007]: Sec. 5. (a) The holder of a beer wholesaler's permit 5 may purchase and import from the primary source of supply, possess, and sell at wholesale, beer and flavored malt beverages manufactured 7 within or without this state. 8 (b) A beer wholesaler permittee may possess, transport, sell, and 9 deliver beer to: 10 (1) another beer wholesaler authorized by the brewer to sell the 11 brand purchased; 12 (2) a consumer; an employee; or (3) a holder of a beer retailer's permit, beer dealer's permit, 13 14 temporary beer permit, dining car permit, boat permit, airplane 15 permit, or supplemental caterer's permit; 16 located within this state. The sale, transportation, and delivery of beer 17 shall be made only from inventory that has been located on the 18 wholesaler's premises before the time of invoicing and delivery. 19 (c) Delivery of beer to a consumer shall be made in barrels only 20 with the exception of The beer wholesaler's bona fide regular 21 employees who may purchase beer from the wholesaler in: 22 (1) bottles, cans, or any other type of permissible containers in an 23 amount not to exceed forty-eight (48) pints; or 24 (2) one (1) keg; 25 at any one (1) time. 26 (d) The importation, transportation, possession, sale, and delivery 27 of beer shall be subject to the rules of the commission and subject to 28 the same restrictions provided in this title for a person holding a 29 brewer's permit. 30 (e) The holder of a beer wholesaler's permit may purchase, import, 31 possess, transport, sell, and deliver any commodity listed in 32 IC 7.1-3-10-5, unless prohibited by this title. However, a beer 33 wholesaler may deliver flavored malt beverages only to the holder of 34 one (1) of the following permits: 35 (1) A beer wholesaler or wine wholesaler permit, if the wholesaler 36 is authorized by the primary source of supply to sell the brand of 37 flavored malt beverage purchased. 38 (2) A wine retailer's permit, wine dealer's permit, temporary wine

permit, dining car wine permit, boat permit, airplane permit, or supplemental caterer's permit.

(f) A beer wholesaler may:

- (1) store beer for an out-of-state brewer described in IC 7.1-3-2-9 and deliver the stored beer to another beer wholesaler that the out-of-state brewer authorizes to sell the beer;
  - (2) perform all necessary accounting and auditing functions associated with the services described in subdivision (1); and
  - (3) receive a fee from an out-of-state brewer for the services described in subdivisions (1) through (2).

SECTION 16. IC 7.1-3-5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.

- (b) To be eligible for a permit for a grocery store under this title, an establishment must have at least eighty-four thousand dollars (\$84,000) in annual gross sales of food. However, the figure set in this subsection as the minimum annual gross sales of food for an establishment is subject to adjustment under subsection (c).
- (c) The commission shall annually adjust the minimum amount of annual gross sales of food initially set in subsection (b) by an amount that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the calendar year preceding the calendar year in which an increase is established. The commission shall determine which consumer price index shall be applied in determining the adjustment under this subsection.

SECTION 17. IC 7.1-3-5-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.

(b) The holder of a permit issued to a grocery store shall annually report to the commission the amount of the permit holder's establishment's annual gross sales of food. The information provided to the commission under this subsection regarding the amount of annual gross sales of food is confidential

information and may not be disclosed to the public under 1 2 IC 5-14-3. However, the commission may disclose the information: 3 (1) to the department of state revenue for the purpose of verifying the accuracy of the annual gross sales of food 4 5 reported to the commission under this subsection; and (2) in any administrative or judicial proceeding to revoke or 7 suspend the holder's permit as a result of a discrepancy 8 discovered by the department of state revenue under 9 subsection (c). (c) The department of state revenue shall verify the accuracy of 10 11 the reports provided to the commission under this section. The 12 department of state revenue shall report to the commission any 13 discrepancy that the department discovers between: 14 (1) the amount of annual gross sales of food that the permit 15 holder has reported to the department; and 16 (2) the amount of annual gross sales of food that the permit 17 holder has reported to the commission. 18 (d) Notwithstanding IC 6-8.1-7-1 or any other law, in fulfilling 19 its obligations under this section, the department of state revenue 20 may provide to the commission confidential information. The 21 commission shall maintain the confidentiality of information 22 provided by the department of state revenue under this section. 23 However, the commission may disclose the information in any 24 administrative or judicial proceeding to revoke or suspend the 25 holder's permit as a result of a discrepancy discovered by the 26 department of state revenue under subsection (c). 27 SECTION 18. IC 7.1-3-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A liquor retailer 28 29 may allow customers to sample the following: 30 (1) Beer. 31 (2) Wines. 32 (3) Liquors. 33 (4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)). 34 (5) Flavored malt beverages. 35 (6) Hard cider. 36 (b) Sampling is permitted only: 37 (1) on the liquor retailer's permit premises; and 38 (2) during the permittee's regular business hours.

1	(c) A liquor retailer may not charge for the samples provided to
2	customers.
3	(d) Sample size of wines may not exceed one (1) ounce.
4	(e) In addition to the other provisions of this section, a liquor retailer
5	who allows customers to sample liquors, liqueurs, or cordials shall
6	comply with all of the following:
7	(1) A liquor retailer may allow a customer to sample only a
8	combined total of two (2) liquor, liqueur, or cordial samples per
9	day.
0	(2) Sample size of liqueurs or cordials may not exceed one-half
1	(1/2) ounce.
2	(3) Sample size of liquors may not exceed four-tenths $(0.4)$ ounce.
.3	(f) A sample size of beer, flavored malt beverage, or hard cider
4	may not exceed six (6) ounces.
5	SECTION 19. IC 7.1-3-10-13 IS AMENDED TO READ AS
6	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A liquor dealer
7	permittee who is a proprietor of a package liquor store may allow
8	customers to sample the following:
9	(1) Beer.
20	(2) Wines.
21	(3) Liquors.
22	(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).
23	(5) Flavored malt beverages.
24	(6) Hard cider.
25	(b) Sampling is permitted:
26	(1) only on the package liquor store permit premises; and
27	(2) only during the store's regular business hours.
28	(c) No charge may be made for the samples provided to the
29	customers.
0	(d) Sample size of wines may not exceed one (1) ounce.
31	(e) In addition to the other provisions of this section, a proprietor
32	who allows customers to sample liquors, liqueurs, or cordials shall
33	comply with all of the following:
34	(1) A proprietor may allow a customer to sample not more than a
35	combined total of two (2) liquor, liqueur, or cordial samples per
66	day.
37	(2) Sample size of liqueurs or cordials may not exceed one-half
Q	(1/2) ounce

1	(3) Sample size of liquors may not exceed four-tenths (0.4) ounce
2	(f) A sample size of beer, flavored malt beverage, or hard cider
3	may not exceed six (6) ounces.
4	SECTION 20. IC 7.1-3-10-14 IS ADDED TO THE INDIANA
5	CODE AS A NEW SECTION TO READ AS FOLLOWS
6	[EFFECTIVE JULY 1, 2007]: Sec. 14. (a) This section does not apply
7	to a package liquor store.
8	(b) Beginning July 1, 2007, a holder of a liquor dealer permit
9	shall display liquor for sale in a clearly separated area that
10	prohibits the presence of a minor unless the minor is accompanied
11	by a parent or guardian who is at least twenty-one (21) years of
12	age. Other alcoholic beverages may be displayed in a designated
13	area where liquor is displayed under this subsection.
14	(c) Alcoholic beverages may not be displayed within fifteen (15)
15	feet of a public entrance of a licensed premises.
16	(d) The commission may adopt rules under IC 4-22-2 to
17	implement this section.
18	SECTION 21. IC 7.1-3-13-3.5 IS ADDED TO THE INDIANA
19	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
20	[EFFECTIVE JULY 1, 2007]: Sec. 3.5. (a) A wine wholesaler may
21	sell wine purchased from an estate sale only if the following
22	requirements are met:
23	(1) The primary source of the wine sold at auction:
24	(A) is authorized to sell wine in Indiana on the date the
25	wine is resold by the wholesaler;
26	(B) is given notice of the purchase by the wine wholesaler:
27	and
28	(C) authorizes the wine wholesaler to resell the wine
29	purchased.
30	(2) The seller of wine at auction is a bona fide estate of an
31	Indiana decedent.
32	(3) Each wine bottle is affixed with a sticker indicating that
33	the wine was purchased from an estate.
34	(b) The notice given to the primary source under subsection
35	(a)(1) must include the following information:
36	(1) The name of the seller.
37	(2) The amount of the product purchased and the sale price at
38	auction.

1	(3) The vintage of the wine purchased.
2	(c) A wholesaler is not liable for product liability for wine that
3	the wholesaler sells from an estate auction purchase.
4	SECTION 22. IC 7.1-3-17.5-6 IS AMENDED TO READ AS
5	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding
6	IC 7.1-5-5-7, the holder of an excursion and adjacent landsite permit
7	may, subject to the approval of the commission, provide alcoholic
8	beverages to guests without charge at an event on the licensed premises
9	if all the following requirements are met:
10	(1) The event is attended by not more than six hundred fifty (650)
11	<del>guests.</del>
12	(2) The event is not more than six (6) hours in duration.
13	(3) (1) Each alcoholic beverage dispensed to a guest:
14	(A) is entered into a cash register that records and itemizes on
15	the cash register tape each alcoholic beverage dispensed; and
16	(B) is entered into a cash register as a sale and at the same
17	price that is charged to the general public.
18	(4) (2) At the conclusion of the event, all alcoholic beverages
19	recorded on the cash register tape are paid by the holder of the
20	excursion and adjacent landsite permit.
21	(5) (3) All records of the alcoholic beverage sales, including the
22	cash register tape, shall be maintained by the holder of the
23	excursion and adjacent landsite permit for not less than two (2)
24	years.
25	(6) (4) The holder of the excursion and adjacent landsite permit
26	complies with the rules of the commission.
27	SECTION 23. IC 7.1-3-18-9, AS AMENDED BY P.L.165-2006,
28	SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29	JULY 1, 2007]: Sec. 9. (a) Except as provided in subsection (j), the
30	commission may issue an employee's permit to a person who desires to
31	act as:
32	(1) a sales clerk in a package liquor store; dealer establishment;
33	(2) an employee who serves wine at a farm winery; or
34	(3) a bartender, waiter, waitress, or manager in a retail
35	establishment. excepting dining car and boat employees.
36	(b) A permit authorized by this section is conditioned upon the
37	compliance by the holder with reasonable rules relating to the permit
38	which the commission may prescribe from time to time.

1	(c) A permit issued under this section entitles its holder to work for
2	any lawful employer. However, a person may work without an
3	employee's permit for thirty (30) days from the date shown on a receipt
4	for a cashier's check or money order payable to the commission for that
5	person's employee's permit application.
6	(d) A person who, for a package liquor store or retail establishment,
7	is:
8	(1) the sole proprietor;
9	(2) a partner, a general partner, or a limited partner in a
10	partnership or limited partnership that owns the business
11	establishment;
12	(3) a member of a limited liability company that owns the
13	business establishment; or
14	(4) a stockholder in a corporation that owns the business
15	establishment;
16	is not required to obtain an employee's permit in order to perform any
17	of the acts listed in subsection (a).
18	(e) An applicant may declare on the application form that the
19	applicant will use the employee's permit only to perform volunteer
20	service that benefits a nonprofit organization. It is unlawful for an
21	applicant who makes a declaration under this subsection to use an
22	employee's permit for any purpose other than to perform volunteer
23	service that benefits a nonprofit organization.
24	(f) The commission may not issue an employee's permit to an
25	applicant while the applicant is serving a sentence for a conviction for
26	operating while intoxicated, including any term of probation or parole.
27	(g) The commission may not issue an employee's permit to an
28	applicant who has two (2) unrelated convictions for operating while
29	intoxicated if:
30	(1) the first conviction occurred less than ten (10) years before the
31	date of the applicant's application for the permit; and
32	(2) the applicant completed the sentence for the second
33	conviction, including any term of probation or parole, less than
34	two (2) years before the date of the applicant's application for the
35	permit.
36	(h) If an applicant for an employee's permit has at least three (3)
37	unrelated convictions for operating while intoxicated in the ten (10)

years immediately preceding the date of the applicant's application for

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1	the permit, the commission may not grant the issuance of the permit.
2	If, in the ten (10) years immediately preceding the date of the
3	applicant's application the applicant has:
4	(1) one (1) conviction for operating while intoxicated, and the
5	applicant is not subject to subsection (f); or
6	(2) two (2) unrelated convictions for operating while intoxicated,
7	and the applicant is not subject to subsection (f) or (g);
8	the commission may grant or deny the issuance of a permit.
9	(i) The commission shall revoke a permit issued to an employee
10	under this section if:
11	(1) the employee is convicted of a Class B misdemeanor for
12	violating IC 7.1-5-10-15(a); or
13	(2) the employee is convicted of operating while intoxicated after
14	the issuance of the permit.
15	The commission may revoke a permit issued to an employee under this
16	section for any violation of this title or the rules adopted by the
17	commission.
18	(j) This section does not apply to dining car, boat, or airline
19	employees.
20	SECTION 24. IC 7.1-3-19-10.5 IS ADDED TO THE INDIANA
21	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
22	[EFFECTIVE JULY 1, 2007]: Sec. 10.5. (a) This section applies only
23	to an application for:
24	(1) a new permit for a grocery store or package liquor store;
25	or
26	(2) transfer of a location of an existing permit for a grocery
27	store or package liquor store.
28	(b) Upon application for a new dealer permit or transfer of a
29	location of an existing dealer permit, the local board shall
30	investigate the desirability of the permit in regard to the potential
31	geographic location of the permit premises.
32	(c) In investigating the desirability of a dealer permit under
33	subsection (b), the local board may consider the following:
34	(1) Subject to subsection (d), whether there is a need for the
35	services at the requested location of the dealer permit.
36	(2) The desire of the neighborhood or the community to
37	receive the services.
38	(3) The impact of the services on other business in the

1	neighborhood or community.
2	(4) The impact of the services on the neighborhood or
3	community.
4	(d) If the evidence presented to the local board establishes that,
5	within one thousand (1,000) feet of the location requested in the
6	application, there is located an establishment that has been issued
7	a permit for a grocery store or package liquor store, a rebuttable
8	presumption is created that there is not a need for the services at
9	the requested location under subsection (b)(1).
10	SECTION 25. IC 7.1-3-19-11.5 IS ADDED TO THE INDIANA
11	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
12	[EFFECTIVE JULY 1, 2007]: Sec. 11.5. (a) As used in this section,
13	"applicant" or "application" means an applicant or an application
14	for:
15	(1) a new permit; or
16	(2) transfer or renewal of an existing permit.
17	(b) This section applies if a permit applicant or a person who
18	remonstrates at a local board hearing against the approval of the
19	application files with the commission:
20	(1) an objection to the commission's action on the application;
21	and
22	(2) a request for an appeal hearing before the commission.
23	(c) The commission shall do the following:
24	(1) Provide notice to the local board, by first class mail, of the
25	date of an appeal hearing set by the commission. Notice under
26	this subdivision must be provided not later than ten (10) days
27	before the date of the hearing.
28	(2) Publish notice in the city, town, or county where the
29	proposed permit premises is located of the date of an appeal
30	hearing set by the commission. Notice under this subdivision
31	must be published not later than ten (10) days before the date
32	of the hearing.
33	SECTION 26. IC 7.1-3-20-16, AS AMENDED BY P.L.165-2006,
34	SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35	JULY 1, 2007]: Sec. 16. (a) A permit that is authorized by this section
36	may be issued without regard to the quota provisions of IC 7.1-3-22.
37	(b) The commission may issue a three-way permit to sell alcoholic

beverages for on-premises consumption only to an applicant who is the

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proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport which is served by a scheduled commercial passenger airline certified to enplane and deplane passengers on a scheduled basis by a federal aviation agency. A permit issued under this subsection shall not be transferred to a location off the airport premises.

- (c) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:
  - (1) was formerly used as part of a union railway station;
  - (2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and
  - (3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.

- (d) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:
  - (1) on land; or

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- 27 (2) in a historic river vessel;
  - within a municipal riverfront development project funded in part with state and city local money. A permit issued under this subsection may not be transferred.
  - (e) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:
    - (1) was formerly used as part of a passenger and freight railway station; and
- 37 (2) was built before 1900.
- The permit authorized by this subsection may be issued without regard

to the proximity provisions of IC 7.1-3-21-11.

- (f) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to a town that:
  - (1) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and
  - (2) has a population of more than twenty thousand (20,000) but less than twenty-three thousand (23,000).
- (g) After June 30, 2005, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets at least two (2) of the following requirements:
  - (1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.
  - (2) A county courthouse is located within the district.
  - (3) A historic opera house listed on the National Register of Historic Places is located within the district.
    - (4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within five hundred (500) feet of the district. A permit issued under this subsection shall not be transferred. The cost of an initial permit issued under this subsection is six thousand dollars (\$6,000).

(h) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

(1) a town with a population of more than twenty thousand (20,000); or

(2) a city with a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand four hundred (27,400);

located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). The commission may issue not more than five (5) licenses under this section subsection to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars (\$1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

- (i) After June 30, 2006, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:
  - (1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.
  - (2) A unit of the National Park Service is partially located within the district.
  - (3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a retailers' retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection

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or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

(j) After May 31, 2007, the commission may issue not more than five (5) three-way permits for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in a town with a population of more than twenty thousand (20,000) located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. A permit issued under this subsection may not be transferred to a location outside the economic development area. If the commission issues five (5) new permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars (\$1,350). If after the 2010 decennial census, the town is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits,

any three-way permits issued under this subsection shall be subtracted from any additional three-way permits that the town may be authorized to receive by the quota provisions.

- (k) After June 30, 2007, the commission may issue not more than eight (8) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within:
  - (1) an economic development area, an area needing redevelopment, or a redevelopment district under IC 36-7-14; and
  - (2) an area that:

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- (A) consists of a total of at least twenty-five (25) contiguous or nearly contiguous acres of property dedicated solely to a new commercial development;
- (B) is within three thousand (3,000) feet from the north boundary of a town that:
  - (i) has a population of more than twenty-four thousand eight hundred (24,800) but less than thirty thousand (30,000); and
- (ii) contains a part of a state nature preserve that is also a National Natural Landmark and is between four hundred (400) and six hundred (600) acres in area; and (C) is adjacent to a state or federal highway that runs in a
- (C) is adjacent to a state or federal highway that runs in a northerly and southerly direction.

The commission may issue not more than eight (8) permits to applicants who are eligible to hold a permit under this subsection; however, not more than four (4) permits may be issued within the same commercial development. A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any

other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000). A permit issued under this subsection may not be transferred to a location outside the area described in this subsection. If the commission issues eight (8) new permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed eight (8) at any time. If after the 2010 decennial census the town is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this section shall be subtracted from any additional three-way permits that the town may be authorized to receive by the quota provisions. A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3.

- (l) After June 30, 2007, the commission may issue a total of not more than five (5) new three-way permits to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant located within a redevelopment project area located within the central area of a city with a population of more than thirty-seven thousand seven hundred (37,700) but less than thirty-eight thousand (38,000). A permit may be issued under this subsection to a premises within a redevelopment project area that meets one (1) of the following requirements:
- (1) The redevelopment project area consists of an area that:
  - (A) is generally located in a former commercial area that once had located within it a building formerly used as a grocery store;
    - (B) has been redeveloped or renovated or is in the process of being redeveloped or renovated to include performing arts areas and hotel areas;
    - (C) is a city center, where a former historic railway that once passed through the center has been converted to a linear park; and
  - (D) has been redeveloped or renovated or is in the process of being redeveloped or renovated, with the redevelopment or renovation being funded in part with grants or

1	investments by a city redevelopment commission
2	established under IC 36-7-14.
3	(2) The redevelopment project area consists of an area that:
4	(A) is generally located in an area:
5	(i) that was formerly the commerce center of a once
6	rural farming community;
7	(ii) that was founded, at least in part, by Quaker
8	residents;
9	(iii) where a historic railway depot was built; and
10	(iv) where an early residence exists that was built about
11	1848 or earlier;
12	(B) has been redeveloped or renovated or is in the process
13	of being redeveloped or renovated to include art galleries
14	design centers, urban structures, and outdoor public art
15	consisting in part of bronze sculptures;
16	(C) is adjacent to or near a former historic railway line
17	that has been converted to a linear park;
18	(D) includes one (1) of the world's smallest children's art
19	galleries, an original Carnegie Library building, and the
20	community's early fire station; and
21	(E) has been redeveloped or renovated, or is in the process
22	of being redeveloped or renovated, with the redevelopment
23	or renovation being funded in part with grants or
24	investments by a city redevelopment commission
25	established under IC 36-7-14.
26	A permit issued under this subsection may not be issued to a
27	tavern. For purposes of this subsection, "tavern" means a permit
28	premises that meets the definition of restaurant under
29	IC 7.1-3-20-9, but is used primarily for the serving of alcoholic
30	beverages by the drink to the general public, and where food
31	service is secondary to the primary use in the amount of sales and
32	the service area where minors are not permitted. A permit issued
33	under this subsection may not be transferred to a location outside
34	the redevelopment project area. If the commission issues five (5)
35	permits under this subsection and a permit issued under this
36	subsection is later revoked or is not renewed, the commission may

issue another new permit as long as the total number of active

permits issued under this subsection does not exceed five (5) at any

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time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000). If, after the 2010 decennial census, the city is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this section shall be subtracted from any additional three-way permits that the city may be authorized to receive by the quota provisions.

SECTION 27. IC 7.1-3-20-16.1, AS AMENDED BY P.L.1-2006, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16.1. (a) This section applies to a municipal riverfront development project authorized under section 16(d) of this chapter.

- (b) In order to qualify for a permit, an applicant must demonstrate that the municipal riverfront development project area where the permit is to be located meets the following criteria:
  - (1) The project boundaries must border on at least one (1) side of a river.
  - (2) The proposed permit premises may not be located more than:
  - (A) one thousand five hundred (1,500) feet; or
- (B) three (3) city blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B) are measured from the city blocks located nearest to the river that are capable of being developed.

- (3) The permit premises are located within:
  - (A) an economic development area, a redevelopment project area, an urban renewal area, or a redevelopment area established under IC 36-7-14, IC 36-7-14.5, or IC 36-7-15.1;
- 34 (B) an economic development project district under
- 35 IC 36-7-15.2 or IC 36-7-26; or
- 36 (C) a community revitalization enhancement district 37 designated under IC 36-7-13-12.1.
- 38 (4) The project must be funded in part with state and city local

1	money.
2	(5) The boundaries of the municipal riverfront development
3	project must be designated by ordinance or resolution by the
4	legislative body (as defined in IC 36-1-2-9(3), or IC 36-1-2-9(4),
5	or IC 36-1-2-9(5)) of the city municipality (as defined in
6	IC 36-1-2-11) in which the project is located.
7	(c) Proof of compliance with subsection (b) must consist of the
8	following documentation, which is required at the time the permit
9	application is filed with the commission:
0	(1) A detailed map showing:
1	(A) definite boundaries of the entire municipal riverfront
2	development project; and
.3	(B) the location of the proposed permit within the project.
4	(2) A copy of the local ordinance or resolution of the local
5	governing body authorizing the municipal riverfront development
6	project.
7	(3) Detailed information concerning the expenditures of state and
8	city local funds on the municipal riverfront development project.
9	(d) Notwithstanding subsection (b), the commission may issue a
20	permit for premises, the location of which does not meet the criteria of
21	subsection (b)(2), if all the following requirements are met:
22	(1) All other requirements of this section and section 16(d) of this
23	chapter are satisfied.
24	(2) The proposed premises is located not more than:
2.5	(A) three thousand (3,000) feet; or
26	(B) six (6) blocks;
27	from the river, whichever is greater. However, if the area adjacent
28	to the river is incapable of being developed because the area is in
29	a floodplain, or for any other reason that prevents the area from
0	being developed, the distances described in clauses (A) and (B)
31	are measured from the city blocks located nearest to the river that
32	are capable of being developed.
33	(3) The permit applicant satisfies the criteria established by the
34	commission by rule adopted under IC 4-22-2. The criteria
35	established by the commission may require that the proposed
66	premises be located in an area or district set forth in subsection
37	(b)(3).
8	(4) The permit premises may not be located less than two hundred

1	(200) feet from facilities owned by a state educational institution
2	(as defined in IC 20-12-0.5-1).
3	(e) A permit may not be issued if the proposed permit premises is
4	the location of an existing three-way permit subject to IC 7.1-3-22-3."
5	Page 5, delete lines 35 through 42, begin a new paragraph and
6	insert:
7	"SECTION 34. IC 7.1-3-22-4 IS AMENDED TO READ AS
8	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Dealers' Permits
9	Limited. (a) The commission may grant: only
0	(1) one (1) beer dealer's permit and in an incorporated city or
1	town that has a population of less than fifteen thousand one
2	(15,001) for each two thousand five hundred (2,500) persons
3	or fraction thereof, within the incorporated city or town;
4	(2) in an incorporated city or town that has a population of
5	more than fifteen thousand (15,000) but less than eighty
6	thousand (80,000):
7	(A) one (1) beer dealer's permit for each four thousand
.8	(4,000) persons, or a fraction thereof; or
9	(B) six (6) beer dealer's permits;
20	whichever is greater, within the incorporated city or town;
21	and
22	(3) in an incorporated city or town that has a population of at
23	least eighty thousand (80,000):
24	(A) one (1) beer dealer's permit for each six thousand
25	(6,000) persons, or a fraction thereof; or
26	(B) twenty (20) beer dealer's permits;
27	whichever is greater, within the incorporated city or town.
28	(b) The commission may grant:
29	(1) one (1) liquor dealer's permit in an incorporated city or town
0	or unincorporated town that has a population of less than
51	fifteen thousand one (15,001) for each one two thousand five
32	hundred $(1,500)$ (2,500) persons, or fraction thereof, within the
3	incorporated city or town; or unincorporated town;
34	(2) in an incorporated city or town that has a population of
55	more than fifteen thousand (15,000) but less than eighty
66	thousand (80,000):
37	(A) one (1) liquor dealer's permit for each four thousand
8	(4.000) persons, or a fraction thereof: or

1	(B) six (6) liquor dealer's permits;
2	whichever is greater, within the incorporated city or town;
3	and
4	(3) in an incorporated city or town that has a population of at
5	least eighty thousand (80,000):
6	(A) one (1) liquor dealer's permit for each six thousand
7	(6,000) persons, or a fraction thereof; or
8	(B) twenty (20) liquor dealer's permits;
9	whichever is greater, within the incorporated city or town.
10	(c) The commission may grant only one (1) beer dealer's permit
11	and one (1) liquor dealer's permit in an area in the county outside
12	an incorporated city or town for each four thousand (4,000)
13	persons, or fraction thereof, within the area in a county outside an
14	incorporated city or town.
15	(d) Notwithstanding subsections (a), (b), and (c), the commission
16	may renew or transfer a beer dealer's or liquor dealer's permit for
17	a beer dealer or liquor dealer that:
18	(1) held a permit before July 1, 2007; and
19	(2) does not qualify for a permit under the quota restrictions
20	set forth in subsection (a), (b), or (c).".
21	Page 6, delete lines 1 through 25, begin a new paragraph and insert:
22	"SECTION 37. IC 7.1-3-26-15, AS ADDED BY P.L.165-2006,
23	SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24	JULY 1, 2007]: Sec. 15. (a) Except as provided in subsections (b) and
25	(c), a seller who violates this chapter commits a Class A infraction.
26	(b) Except as provided in subsection (d), a seller who:
27	(1) knowingly or intentionally violates this chapter; and
28	(2) has one (1) prior unrelated conviction or judgment for an
29	infraction under this section for an act or omission that occurred
30	not more than ten (10) years before the act or omission that is the
31	basis for the most recent conviction or judgment for an infraction;
32	commits a Class A misdemeanor.
33	(c) Except as provided in subsection (d), a seller who:
34	(1) knowingly or intentionally violates this chapter; and
35	(2) has at least two (2) prior unrelated convictions or judgments
36	for infractions under this section for acts or omissions that
37	occurred not more than ten (10) years before the act or omission
38	that is the basis for the most recent conviction or judgment for an

infraction;

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commits a Class D felony.

(d) A person who violates section 6(5) of this chapter commits a Class A infraction. The commission may consider an infraction committed under this subsection in its determination of whether to renew a seller's permit. However, a person may not be held in violation of section 6(5) of this chapter for a direct sale and shipment to a person that occurred before January 15, 2007.

SECTION 38. IC 7.1-4-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. Use of Funds. The monies deposited in the postwar construction fund shall be used for construction by the state for the use of **public safety**, penal, benevolent, charitable, and educational institutions of the state.

SECTION 39. IC 7.1-5-5-9, AS AMENDED BY P.L.224-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) It is unlawful for a beer wholesaler or a primary source of supply to: permittee to knowingly or intentionally (1) coerce, or attempt to coerce, or persuade a beer wholesaler another permittee to enter into an agreement, or to take an action, which will would violate or tend to violate, a provision of this title or of the rules and regulations of the commission. or

(2) (b) It is unlawful for a beer wholesaler or a primary source of supply to cancel or terminate an agreement or contract between a beer wholesaler and a primary source of supply for the sale of beer, unfairly and without due regard for the equities of the other party.

SECTION 40. IC 7.1-5-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) It is unlawful for a person to act as a clerk in a package liquor store, or as a bartender, waiter, waitress, or manager for a retailer permittee in a position that is listed in IC 7.1-3-18-9(a) unless that person has applied for and been issued the appropriate an employee's permit. This section does not apply to dining car or boat employees or to a person described in IC 7.1-3-18-9(d).

- (b) It is a defense to a charge under this section if, within thirty (30) days after being cited by the commission, the person who was cited produces evidence that the appropriate permit was issued by the commission on the date of the citation.
- (c) It is a defense to a charge under this section for a new applicant

1 for a permit if, within thirty (30) days after being cited by the 2 commission, the new applicant who was cited produces a receipt for a 3 cashier's check or money order showing that an application for the 4 appropriate permit was applied for on the date of the citation. 5 (d) It is a defense to a charge under this section that the person: 6 (1) acted as a dining car, a boat, or an airline employee; or 7 (2) is a person described in IC 7.1-3-18-9(d). 8 SECTION 41. IC 7.1-5-7-8 IS AMENDED TO READ AS 9 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) It is a Class C 10 misdemeanor for A person to who recklessly sell, barter, exchange, provide, or furnish sells, barters, exchanges, provides, or furnishes 11 12 an alcoholic beverage to a minor commits: 13 (1) a Class B misdemeanor if the person is at least twenty-one 14 (21) years of age; and (2) a Class C misdemeanor if the person is less than 15 16 twenty-one (21) years of age. 17 (b) This section shall not be construed to impose civil liability upon 18 any educational institution of higher learning, including but not limited 19 to public and private universities and colleges, business schools, 20 vocational schools, and schools for continuing education, or its agents 21 for injury to any person or property sustained in consequence of a 22 violation of this section unless such institution or its agent sells, 23 barters, exchanges, provides, or furnishes an alcoholic beverage to a

SECTION 42. IC 7.1-5-7-13, AS AMENDED BY P.L.161-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. Section 12 of this chapter does not prohibit the following:

(1) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises, for a purpose other than:

- (A) selling;
- (B) furnishing, other than serving;
- (C) consuming; or

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minor.

- 37 (D) otherwise dealing in;
- 38 alcoholic beverages.

1	(2) A person at least eighteen (18) nineteen (19) years of age but
2	less than twenty-one (21) years of age from ringing up a sale of
3	alcoholic beverages in the course of the person's employment.
4	(3) A person at least nineteen (19) years of age but less than
5	twenty-one (21) years of age who:
6	(A) has successfully completed an alcohol server training
7	program certified under IC 7.1-3-1.5; and
8	(B) serves alcoholic beverages in a dining area or family room
9	of a restaurant or hotel:
10	(i) in the course of a person's employment as a waiter,
11	waitress, or server; and
12	(ii) under the supervision of a person who is at least
13	twenty-one (21) years of age, is present at the restaurant or
14	hotel, and has successfully completed an alcohol server
15	training program certified under IC 7.1-3-1.5 by the
16	commission.
17	This subdivision does not allow a person at least nineteen (19)
18	years of age but less than twenty-one (21) years of age to be a
19	bartender.".
20	Page 7, between lines 8 and 9, begin a new paragraph and insert:
21	"SECTION 43. IC 7.1-5-10-1 IS AMENDED TO READ AS
22	FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as
23	provided in subsection (d), it is unlawful to sell alcoholic beverages at
24	the following times:
25	(1) At a time other than that made lawful by the provisions of
26	IC 7.1-3-1-14.
27	(2) On Christmas Day and until 7:00 o'clock in the morning,
28	prevailing local time, the following day.
29	(3) On primary election day, and general election day, from 3:00
30	o'clock in the morning, prevailing local time, until the voting polls
31	are closed in the evening on these days.
32	(4) During a special election under IC 3-10-8-9 (within the
33	precincts where the special election is being conducted), from
34	3:00 o'clock in the morning until the voting polls are closed in the
35	evening on these days.
36	(b) During the time when the sale of alcoholic beverages is
37	unlawful, no alcoholic beverages shall be sold, dispensed, given away,
38	or otherwise disposed of on the licensed premises and the licensed

premises shall remain closed to the extent that the nature of the business carried on the premises, as at a hotel or restaurant, permits.

- (c) It is unlawful to sell alcoholic beverages on New Years Day for off-premises consumption.
- (d) (c) It is lawful for the holder of a valid beer, wine, or liquor wholesaler's permit to sell to the holder of a valid retailer's or dealer's permit at any time.

SECTION 44. IC 7.1-5-10-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) A wholesaler permittee who knowingly or intentionally sells a brand of alcoholic beverages that the wholesaler permittee has not been authorized to sell by the brand's primary source of supply commits a Class D felony.

(b) A permittee who is injured as a result of a violation of this section has a private right of action to bring a civil action to recover compensatory damages against the wholesaler permittee who violates this section.

SECTION 45. IC 9-21-4-5, AS AMENDED BY P.L.229-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Except as provided in subsection (b), a person may not place or maintain upon a highway a traffic sign or signal bearing commercial advertising. A public authority may not permit the placement of a traffic sign or signal that bears a commercial message.

- (b) Under criteria to be jointly established by the Indiana department of transportation and the office of tourism development, the Indiana department of transportation may authorize the posting of any of the following:
  - (1) Limited tourist attraction signage.
  - (2) Business signs on specific information panels on the interstate system of highways and other freeways.

All costs of manufacturing, installation, and maintenance to the Indiana department of transportation for a business sign posted under this subsection shall be paid by the business.

- (c) Criteria established under subsection (b) for tourist attraction signage must include a category for a tourist attraction that is an establishment licensed under IC 7.1-3-2-7(5).
- 38 (c) (d) A person may not place, maintain, or display a flashing, a

1	rotating, or an alternating light, beacon, or other lighted device that:
2	(1) is visible from a highway; and
3	(2) may be mistaken for or confused with a traffic control device
4	or for an authorized warning device on an emergency vehicle.
5	(d) (e) This section does not prohibit the erection, upon private
6	property adjacent to highways, of signs giving useful directional
7	information and of a type that cannot be mistaken for official signs.
8	SECTION 46. IC 34-30-2-19.5 IS ADDED TO THE INDIANA
9	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
0	[EFFECTIVE JULY 1, 2007]: Sec. 19.5. IC 7.1-3-13-3.5 (Concerning
1	wine purchased at an estate sale and resold by a wine wholesaler)."
2	Page 7, line 11, delete "permittee" and insert "permit holder".
.3	Page 7, line 12, delete "permittee" and insert "permit holder".
4	Page 7, line 14, after "imposed" insert "against the permit holder"
5	Page 7, line 18, delete "one hundred fifty dollars (\$150)." and insert
6	"two hundred fifty dollars (\$250).".
.7	Page 7, line 22, delete "two hundred fifty dollars (\$250)." and inser-
8	"five hundred dollars (\$500).".
9	Page 7, line 26, delete "five hundred dollars (\$500)." and insert "one
20	thousand dollars (\$1,000).".
21	Page 7, line 30, delete "seven hundred fifty dollars (\$750)." and
22	insert "two thousand dollars (\$2,000).".
23	Page 7, line 31, delete "permittee" and insert "permit holder".
24	Page 7, line 35, delete "permittee" and insert "permit holder".
25	Page 7, line 38, delete "permittee" and insert "permit holder".
26	Page 8, after line 3, begin a new paragraph and insert:
27	"SECTION 47. IC 7.1-3-1-5.3 IS REPEALED [EFFECTIVE JULY
28	1, 2007].
29	SECTION 48. [EFFECTIVE JULY 1, 2007] (a) Notwithstanding
30	IC 7.1-2-4-13.5, as added by this act, a member of a local board
1	appointed before January 1, 2008, shall complete the training
32	required under IC 7.1-2-4-13.5, as added by this act, not later than
3	July 1, 2008.
4	(b) The alcohol and tobacco commission shall begin providing
55	a training program under IC 7.1-2-4-13.5, as added by this act, for members of local boards not later that January 1, 2008.
66	mempers of local poards not later that January 1, 2008.

(c) This SECTION expires July 2, 2008.

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2 SECTION 49. [EFFECTIVE JULY 1, 2007] IC 7.1-5-7-8, as 3 amended by this act, and IC 7.1-5-10-23, as added by this act, apply only to offenses committed after June 30, 2007.". 5 Renumber all SECTIONS consecutively. (Reference is to SB 339 as reprinted February 26, 2007, and as corrected under Senate Rule 33(c) on February 27, 2007.) and when so amended that said bill do pass. Representative Van Haaften